

Message Text

PAGE 01 STATE 133128
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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMEMBASSY MOSCOW

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GOV GUAM

UNCLAS STATE 133128

ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JUNE 9 EA PRESS SUMMARY

1. INDOCHINA/THAILAND

SRV ARMY NEWSPAPER WEDNESDAY ACCUSED RTG OF COOPERATING
W/US IN SABOTAGING LAO REVOLUTION. SAID THAI ARMED FORCES
FIRED ON MANY PLACES IN VIENTIANE 6/3 (REUTER HK 6/8).

FOUR RTG BORDER PATROL POLICE/1 CIVILIAN KILLED BY LOCAL
ANTI-COMMUNIST DEFENSE VOLUNTEERS IN S THAILAND. AUTHORI-
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PAGE 02 STATE 133128

TIES INVESTIGATING CAUSE INCIDENT AT FOOD STORE (REUTER,
WP).

.. KOREA

HOUSE ETHICS CMTE, IN 1ST REPORT ON INVESTIGATION INTO
ALLEGED SK BRIBERY, SAYS HAS EVIDENCE TO REQUIRE QUESTIONING
LARGE NUMBER CONGRESSMEN, BUT PLANS NO HEARINGS BEFORE LATE
SUMMER (UPI, BALTO NA 6/8). ETHICS CMTE ASKS ALL HOUSE
MEMBERS VOLUNTARILY LIST ANY CASH/FAVORS RECD FROM 5 SKOREANS

(AP, PHINQ). ETHICS CMTE REVERSES SELF, AGREES POLL HOUSE RE PAYOFFS/GIFTS; ALSO AGREES EACH CMTE MEMBER INFORM CHIEF LAWYER IF PERSONALLY ACCEPTED GIFTS FROM KOREAN SOURCES. CIA REPORTEDLY WILL PROVIDE CMTE W/SECRET FILES THAT OUT-LINE SK PLANNING SESSIONS FOR INFLUENCE PEDDLING OPN ON HILL. MOVES PROVIDE 1ST INDICATION INVESTIGATION MOVING BRISKLY. QUESTIONNAIRE ASKS HOUSE MEMBERS LIST DEALINGS W/TONGSUN PARK/FORMER AMB KIM DONG JO/SUZI PARK THOMPSON/ COSMETICS TYCOON HONCHO KIM/KCIA DEFECTOR KIM SANG KEUN (COATES, CHITRIB). VOLZ (NYDN) NOTES ETHICS CMTE VOTED ASK HOUSE MEMBERS IF RECEIVED CASH/GIFTS VALUED OVER 100 DOLS FROM ROKG/ITS AGENTS OVER PAST 7 YRS. SAYS POLITICOS MUST TELL IF "KOREAN IN YOUR RICE PADDY."

HALLORAN (NYT, EXCERPTED IN SUN) REPORTS ETHICS CMTE REQUIREMENT FOR CONGRESSMEN DISCLOSE DETAILS ASSOCIATION W/SK. SAYS ALSO CONFIRMED IN STATUS REPORT THAT VAST AMOUNTS INFO RE KOREAN SCANDAL SCATTERED IN FILES IN DOZEN AGENCIES. ADDS EX-KCIA DIRECTOR KIM HYUNG WOOK AGREES TESTIFY BEFORE SUBCMTE ON INTL ORGANIZATIONS. HALLORAN SAYS INCLUSION KIM SANG KEUN'S NAME ON ETHICS CMTE QUESTIONNAIRE IS 1ST INDICATION HE MAY HAVE PERSONALLY BEEN IN CONTACT W/MEMBERS CONGRESS.

BABCOCK/ARMSTRONG (WP, EXCERPTED IN GLOBE) NOTE HOUSE ETHICS CMTE MOVED TO SEEK TESTIMONY/DOCUMENTS FROM US INTELL UNCLASSIFIED

PAGE 03 STATE 133128

AGENCIES/OFFICIALS FOR WIDENING INVESTIGATION KOREAN GIFT SCANDAL. SAYS CMTE AUTHORIZED SUBPOENAS FOR 4 GOVT OFFICIALS, INCL HAK'S TOP AIDE EAGLEBURGER/SCOWCROFT/HYLAND, FORMERLY OF NSC/MOODY, FORMERLY AT NSA, WHO MIGHT HAVE HAD ACCESS TO SECRET NSC/NSA INTELL REPORTS NAMING CONGRESSMEN WHO TOOK MONEY FROM SK. ADDS CMTE DISCUSSED TENTATIVE AGREEMENT W/CIA TO OBTAIN DOCUMENT COPIES. STATES ETHICS CMTE QUESTIONNAIRE TO BE SENT FORMER/CURRENT HOUSE MEMBERS.

DOT HAS TENTATIVELY DETERMINED SACCHARIN IMPORTS FROM SK BEING SOLD IN US AT 31 PCT BELOW HOME MARKET PRICE (WSJ).

LAST 3 MEMBERS NK EMB AT BA LEFT COUNTRY W/O TELLING ARGENTINE GOVT, IN MOVE CONSIDERED "UNFRIENDLY." SOURCES SAY 3 LEFT UNPAID DEBTS, INCL DAMAGE FROM FIRE THAT DESTROYED THEIR APT (REUTER BA 6/8).

3. KOREA/JAPAN

SAAR (WP), FROM TOKYO, REPORTS GOJ RATIFIES OIL PACT W/ SEOUL FOR JOINT EXPLORATION CONTINENTAL SHELF RESOURCES, DESPITE WARNINGS FROM PRC/NK. ADDS GULF/SHELL/TEXACO SUBSIDIARIES CONTRACTED W/ROKG FOR DRILLING RTS; USG

WARNED FIRMS VS DRILLING IN AREA CLAIMED BY PEKING.

4. JAPAN

DOJ 6/8 ASKED FEDRL APPEALS COURT OVERTURN "ERRONEOUS AND AMBIGUOUS" LOWER COURT RULING THAT WOULD FORCE USG IMPOSE PENALTY DUTIES ON WIDE RANGE JAPANESE ELECTRONIC PRODUCTS IMPORTS. BOTH ZENITH/DOJ REQUESTED SPEEDY RULING/OFFICIALS EXPECT DECISION W/IN 3 MONTHS (AP, NYT, SUN).

IN TOKYO, GOV BROWN AIDE QUINN SAID NISSAN/HONDA SERIOUSLY UNCLASSIFIED

PAGE 04 STATE 133128

CONSIDERING ESTABLISHING AUTO MFG PLANTS IN CALIF W/IN NEXT FEW YRS. BOTH CONCERNED OVER STATE'S TAX LAWS, WHICH QUINN SAID MAY BE AMENDED TO MEET JAPANESE OBJECTIONS. ALSO TOLD NEWSMEN FIRMS CONSIDERING OPENING PLANTS IN OTHER STATES AS WELL (CULLISON, JOC TOKYO).

DOT RULES JAPAN NOT DUMPING SACCHARIN ON US MART AT UNFAIRLY LOW PRICES (WSJ).

5. JAPAN/CHINA

HUA REPORTEDLY RETURNING TO TRADE POLICIES PRC FOLLOWED FROM 72-75--SELLING OIL/OTHER MINERALS, USING MONEY BUT ADVANCED FOR INDUSTRIAL EQUIPMENT. FIRST TO GET WORD WERE JAPANESE; KEIDANREN CHRMN DOKO WENT PEKING/PROPOSED PRC SWAP

FOR JAPANESE INDUSTRIAL MACHINERY.
PEKING BOUGHT IDEA AFTER ONLY 2 DAYS NEGOTS (UPI, JOC TOKYO).

6. CHINA

AT 6/9 HK NEWS CONF, USDA SEC BERGLAND SAID US KEENLY INTERESTED IN EXPANDING TRADE W/PRC, "BUT AT THIS POINT," US HAS HAD NO OFFICIAL INQUIRIES FROM PEKING. TERMED SIGNIFICANT PRC PURCHASES 275,000 METRIC TONS SOYBEANS/ 47,000 BALES COTTON FROM US (REUTER HK).

NCNA REPORTED 6/8 STEEL PRODUCTION THIS YR PICKED UP AFTER STAGNATION DUE GANG OF 4 INTERFERENCE; NO FIGURES GIVEN. IMPROVED INDUSTRIAL PERFORMANCE IN KWEICHOW PROV--WHERE GANG OF 4 SABOTAGE ALLEGEDLY OCCURRED--ALSO REPORTED (REUTER HK 6/8).

MEXICAN SEISMOLOGIST WHO VISITED PRC SAYS CHINESE PICKED UNCLASSIFIED

PAGE 05 STATE 133128

UP ADVANCE WARNINGS OF QUAKE THAT HIT PEKING LAST YR
6 MOS BEFORE EVENT, BUT COULD NOT PINPOINT WHEN/WHERE
WOULD STRIKE (REUTER'S KATIGBAK, MEXICO CITY 6/8).

CURRY (WP) REPORTS ROC'S PR BUDGET IN US HAS MORE THAN
DOUBLED SINCE 1972 TO 1.4 MIL DOLS. PROGRAMS INCL
25,000 DOL DONATION FOR ORIENTAL GARDEN IN PLAINS,
GA; WINING/DINING NYT COLUMNIST WM SAFIRE; FOOTING
BILL FOR 4 PLAINS OFFICIALS VISIT ROC/PLANT PEANUTS
IN TAIWAN PARK. CHINESE ALSO HAVE 275,000 DOL CONTRACT
THIS YR W/NYT PR FIRM.

7. AUSTRALIA/NEW ZEALAND

AUSTRALIA'S ANSETT AIRLINES/TRANS AUSTRALIA HAVE ORDERED
5 BOEING JETS, RUNNING 10-12 MIL DOLS EA, FOR DELIVERY
1978-79 (WSJ).

WSJ'S NEWMAN (NELSON, NZ) REPORTS NEW ZEALANDERS WORLD'S
"DO-IT-YOURSELF" EXPERTS--OUT OF NECESSITY. COUNTRY
TOO SMALL/TOO DISTANT ATTRACT CULTURAL/MATERIAL SUPPORT;
INCOME INSUFFICIENT ENABLE RESIDENTS PURCHASE READY-
MADE MFRD GOODS FROM ABROAD, SO ANSWER ALWAYS "DO-IT-
YOURSELF."

8. AUSTRALIA/MALAYSIA

MALAYSIAN AUTHORITIES HAVE PLACED TRADE W/AUSTRALIA
UNDER "CLOSE SCRUTINY" DUE BIG TRADE DEFICIT SUFFERED
BY MALAYSIA/RECENT TARIFFS IMPOSED BY AUSTRALIA. TRADE/
INDUSTRY SPOKESMAN CONFIRMED GOM DELAYING ISSUE LICENSES
FOR IMPORT AUSTRALIAN GOODS (JOC KL).

9. TRADE

TRADE REP STRAUSS SAID 6/8 US ON VERGE SIGNING AGREEMENT
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PAGE 06 STATE 133128

W/SK, TAIWAN THAT WILL CUT BACK SHARPLY ON SHOES EXPORTED
TO US. ADMIN SOURCES SAY PACT CUTS EXPORTS TO 150-
155 MIL PAIRS FROM LAST YR'S 200 MIL PAIRS. STRAUSS
ADDED ACCORD WOULD PROVIDE FOR "MODEST" INCREASES IN
SHOE EXPORTS IN SUCCEEDING YEARS. STRAUSS ALSO TOLD
REPORTERS IN CHICAGO THAT US/EC/JAPAN WOULD BEGIN INFORMAL
TALKS NEXT MO IN PARIS ON PROBLEM INTL STEEL TRADE,
UNDER AUSPICES OECD (ROWE, WP).

US MUSHROOM CANNERS CLAIM THREAT FROM ASIAN IMPORTS/SEEK-
ING USG PROTECTION AGAINST LOWER-PRICED CANNED MUSHROOMS
FROM TAIWAN/SK. ITC TOLD IMPORTS MUST BE RESTRAINED

TO ENABLE US PROCESSORS REGAIN "AT LEAST" 75 PCT US MARKET (LESCAZE, WP).

10. PHILIPPINES

FORMER SEN AQUINO APPEARED 6/8 BEFORE MIL COURT TRYING HIM FOR SUBVERSION, ASKED BE ALLOWED PREPARE DEFENSE FREE FROM BUGGING/CENSORSHIP; PRESS REPS ALLOWED IN COURT, BUT PUBLIC BARRED. COURT AGREED AQUINO BE ALLOWED CONFER WITH ALL LEGAL ADVISERS IN CONFIDENTIALITY/EXCHANGE DOCUMENTS WITH THEM FREE OF MIL SCRUTINY (NYT).

USING MARTIAL LAW POWERS, PRES MARCOS WEDNESDAY ORDERED EVERY FILIPINO OVER 10 YEARS OLD PLANT AT LEAST ONE TREE EACH MONTH FOR 5 STRAIGHT YEARS OR FACE STIFF PENALTIES; PRES SPOKESMAN SAID DECREE INSPIRED BY SEVERE EROSION OF FOREST RESOURCES THROUGHOUT COUNTRY (AFP, WP).

DETROIT FEDERAL JUDGE, CITING INSUFFICIENT EVIDENCE, WEDNESDAY DISMISSED MURDER/POISONING/CONSPIRACY CHARGES AGAINST ONE OF FILIPINA NURSES; LEFT STANDING SOME CHARGES AGAINST BOTH (CHITRIB; AP, SUN; NYT; WSTAR, 6/8). AP PHOTOS OF PAIR IN NYT, WSTAR; CHITRIB, SUN CARRY UPI PHOTOS.
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PAGE 07 STATE 133128

COMMENT AND ANALYSIS

11. KOREA

NOLAN (GLOBE) NOTES HOUSE CMTE INVESTIGATING KOREAN BRIBERY SCANDAL ISSUED 1ST PROGRESS REPORT 6/8--"NO PROGRESS." QUOTES CMTE'S SPECIAL COUNCIL LACOVARA THAT "WE COULD NOT RESPONSIBLY HOLD PUBLIC HEARINGS AT THIS STAGE...I DON'T THINK WE HAVE ENOUGH." NOLAN BELIEVES LACOVARA CMTE'S BEST HOPE AGAINST WATERGATE-TYPE COVERUP CHARGES, THO HIS WATERGATE CREDENTIALS/EXPERIENCED TEAM INVESTIGATORS HAVE "NOT COMPLETELY REASSURED HOUSE MEMBERS."

STROUT (CSM) REVIEWS VARIOUS CONGRESSIONAL INVESTIGATIONS RE KOREAN BRIBERY SCANDAL. STATES FOCUS ON SKOREAN TROOP W/DRAWAL SINCE SINGLAUB AFFAIR/CHARGES BY FORMER KCIA CHIEF KIM HYUNG WOOK HEIGHTENING PROBES. CITES HALLORAN ITEM (NYT 6/5) IN WHICH KIM HAD "GONE PUBLIC" IN NAMING TONGSUN PARK AS KCIA AGENT. SAYS WHOLE AFFAIR HAS "PARTICULAR OVERTONES" IN WASHINGTON/POTENTIAL SCANDAL LIKE "TICKING TIME BOMB."

CSM'S MORITZ (SEOUL) REPORTS FROM RODRIQUEZ RANGE TRAINING BASE. SAYS ANNOUNCED W/DRAWAL SO FAR HAS HAD LITTLE EFFECT ON 2ND DIVISION'S OPNS; 1 OFFICER STATES 9-MIL-

DOL BASE FACILITIES IMPROVEMENT PROGRAM HAS JUST BEGUN.

ACCORDING SKOREAN SOURCES, 1 OF 3 2ND DIV BRIGADES
DUE BE W/DRAW N BY END 1978, AND JCS CHRMN BROWN SAYS
SOME ADVANCED TANKS/ARMORED EQUIPMENT WILL BE TRANSFERRED
TO SKOREANS.

EVANS/NOVAK (WP) WONDER IF PRES CARTER'S "FIBS" ARE
TRIVIAL. GIVE AS EXAMPLE 5/26 NEWS CONFERENCE WHEN PRES,
UNCLASSIFIED

PAGE 08 STATE 133128

PRESSED DEFEND KOREAN PULLOUT, "REACHED TOO FAR FOR EXPERT
WITNESSES," SAID PRES PARK CALLED FOR REMOVAL US TROOPS.
COMMENT THAT WHETHER CARTER KNEW OR NOT, THIS SIMPLY NOT
TRUE OR EVEN CLOSE TO TRUTH.

JAMESON (LAT 6/8), AT TOKYO, BELIEVES ABSENCE RATIONALE
FOR KOREA PULLBACK BY US RISKS CONFUSION. SAYS LACK
CONVINCING DIPL EXPLANATION MAKES US MIL CMDRS/DIPLOMATS
THINK ASIAN NATIONS MAY MISINTERPRET US INTENT; FEAR SOME,
ESP PRC/JAPAN, MIGHT LAUNCH NEW POLICIES--SOME POSSIBLY
DETRIMENTAL TO US--BASED ON SUCH MISINTERPRETATIONS.
MENTIONS ATTITUDES TOWARD W/DRAWAL OF JAPAN'S FUKUDA/
SINGAPORE'S LEE/PHILS' MARCOS. CONCLUDES ASIANS FIND
AMERICANS INSCRUTABLE ON ISSUE/SEES PRESSING NEED EXPLAIN
POLICY IN DIPL CONTEXT.

12. CHINA

WP'S MATHEWS (HK) STATES US TIDE SEEMS BE PUSHING US-PRC
RELS INTO "DISTANT, HAZY FUTURE." SAYS ROC SOCIAL/BUSINESS
CONTACTS W/US LOCAL US OFFICIALS MAKING CASE AGAINST
NORMALIZATION W/PEKING IN "THOUSAND QUIET WAYS."
CITES CHINA EXPERT/DOS CONSULTANT/FORMER HAK ADVISOR
ALLEN WHITING THAT FULL US-PRC RELS NEEDED/CAN BE ACCOM-
PLISHED W/O SACRIFICING TAIWAN.

WHITING INTERPRETS SHANGHAI COMMUNIQUE AS CONTAINING
AT LEAST "TACIT AGREEMENT" FROM CHOU/MAO NOT ATTACK
TAIWAN, BUT SINCE THEIR DEATHS, PRC REQUIRES TIME STABIL-
IZE/UNIFY LEADERSHIP SO NEGOTS CREDIBLE/AGREEMENT PERMAN-
ENT. POINTS TO NEED FOR PEKING'S ASSISTANCE "IN SETTLING
EXPLOSIVE ISSUES LIKE KOREA." CONVINCED THAT AS PUBLIC
BECOMES MORE INFORMED ABOUT "MILITARY REALITIES" PRC/ROC,
TREATY COMMITMENT TO TAIWAN WILL NO LONGER BE CAUSE
FOR CONCERN.

UNCLASSIFIED

PAGE 09 STATE 133128

13. INDOCHINA

EADS (WP), AT BANGKOK, INTERVIEWS AMCIT RECENTLY RETURNED FROM SVN. QUOTES HIM THAT PEOPLE ACCEPTING NEW SITUATION/ MAKING PAINFUL ADJUSTMENT. SAYS BIGGEST PROBLEM IS UN-EMPLOYMENT; STORIES OF EXPERIENCES IN NEW ECON ZONES DIS-COURAGE "ALREADY UNENTHUSIASTIC" SAIGONESE FROM GOING TO ZONES. STATES HARDSHIP EXISTS BUT NO STARVATION/JOB DISCRIMINATION VS GVN SUPPORTERS. FINDS REMARKABLE THAT NEW NATL LEADERSHIP PRAISED/BELIEVED WORKING IN COUNTRY'S BEST INTERESTS. CONCLUDES MANY WHO STAYED PREPARED MAKE DO/BELIEVE CAN LIVE W/O BEING HARASSED/PREPARED GIVE IT TRY.

14. SINGAPORE

AUTHOR JOHN TAYLOR GIVES IMPRESSIONS: LITTERING LAWS RIGIDLY ENFORCED, MAKING IT ONE OF CLEANEST CITIES IN WORLD; IS PERHAPS MOST REGIMENTED SOCIETY OUTSIDE SOVIET BLOC, WITHOUT BEING DICTATORSHIP, WITH VIRTUAL COLLAPSE POL OPPOSITION TO PAP; SECURITY ONE OF PREMIER LEE'S TOP CONCERNS, POPULATION PRESSURE IS ANOTHER; FEW COUNTRIES TAKE DRUG THREAT MORE SERIOUSLY; LONG HAIR IN MALES FROWNED UPON; ISLAND BOASTS EXCELLENT SCHOOLS/SOCIAL SECURITY SYSTEM; CIVIL SERVICE SYSTEM VIRTUALLY INCORRUPTIBLE. SAYS PERHAPS THERE IS CERTAIN WARMTH LACKING, AND INTELLECTUALS ARE REPORTEDLY RESTIVE IN ENVIRONMENT WHERE COMMON GOOD SO OVERWHELMS OPPORTUNITIES FOR INDIVIDUAL EXPRESSION. CITES COUNTRY'S NOTABLY UNSYMPATHETIC ATTITUDE TOWARD VIET REFUGEES ATTEMPTING ESCAPE ACROSS S CHINA SEA--WHO, AFTER ALL, HAVE LITTLE TO CONTRIBUTE TO ITS ECONOMY. SAYS, IN ALL, LEE HAS MADE ISLAND MODEL OF BENIGN MATERIALISM. VANCE

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